

**City of Falls Church
Economic Development Authority
DRAFT Meeting minutes
Tuesday, June 6, 2006 – 6:30 p.m.
Training Room
Level G, City Hall**

I. Call to Order

EDA Chairman Ed Saltzberg called the meeting to order at 6:40 p.m.

Present:

EDA Board Members: Ed Saltzberg, Barry Buschow, Bob Butchko, Warren Cohen, A.C. Miller, Bruce Swenson, Dan Sze

ED Staff: Rick Goff, Becky Witsman, Lovey Testa

Others Attending: Heather Arnold

II. Petitions from the Public (5 minutes per petitioner) – None

III. Petitions from the Board (5 minutes per petitioner) – None

IV. Approval of May 2006 Minutes – Ed Saltzberg moved to approve the minutes; Warren Cohen seconded the motion. All other EDA Board Members present approved.

V. New Business

a. Report on Retail Marketing Strategy (Heather Arnold)

Heather summarized her consulting work on a retail marketing strategy and work plan: created a retail logo; created a system of recording vacant spaces; and the need to create a list of targeted retail tenants once the brochure is done. She distributed the draft of the retail marketing brochure to those present in the meeting. Heather admitted the brochure should be proofread and revised for any changes.

She has spoken with retailers this past month. Heather also shared her experience at the Franchise Expo, which she attended with Becky Witsman, on June 2, 2006, at the Washington, D.C. Convention Center. Heather and Becky learned that the City of Falls Church is able to address the retailers' questions concerning the education level and number of children per household, but still needs work on answering questions about household income, median population and that "something special" trait that the City has. Most of the retailers were interested in West End Plaza because of the surface parking and space availability. However, the retailers were not aware of the other projects under construction in the City, e.g., Byron, Spectrum, etc.

Heather and Becky have been coordinating with each other on finding out the available retail space in the City. Once completed, this information will eventually be added to the EDA webpage, and

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distributed to 300 retail brokers in the DC-business area. It will contain the following information: size, rent per square foot, contact person, information on space, and a photograph of the location.

Some EDA Board Members asked questions and offered their insights, e.g., structured parking, strip mall mentality, looking into how much revenue is collected as a means of gauging what kind of retailers we want in the City. Heather explained that competitive retailers expect to have surface parking in today's lower-density environment. As the retail market becomes convinced of the City's viability, retailers will come, albeit at a 5 or 10 year process. She was nevertheless impressed with how much people at the Franchise Expo knew about the City of Falls Church.

Heather commenced with her PowerPoint presentation on the List of Targeted Retail Tenants. Category 1 (Restaurants); Heather stated that the food and beverage industry is under-served. Heather will be working with Lovey Testa at the EDO to send out letters to these prospective retailers. Category 2 (Salons); Heather suggested some salons that could potentially relocate in Falls Church. Category 3 (Children's Recreation); Heather has targeted six or seven of these establishments. Category 4 (Stationery); the City noticeably lacks this retail establishment. Category 5 (Home Goods); Heather said that the retailers in this category have a good knowledge of the Falls Church market. Category 6 (Wine Stores); Heather provided three candidates that are looking into locating in Falls Church: These wine stores offer other activities as well, e.g., wine tasting, educational programs, etc. Category 7 (& Everything Else); Heather cited service retailers where you can make meals for your social gatherings, and everything is prepared for you, a bookstore with nightly readings, and an upscale pool hall, which could coincide with a bowling alley.

Heather suggested that the EDA Board Members create a list of retailers they think would fit into the City of Falls Church. One Board Member commented putting up a blog in the website, to lessen the perception that Falls Church is an "insular city". Heather stated that the medium range goal should be to go to the retailers.

A Board Member inquired on the implication of focusing on the businesses already predominant in the region, and not necessarily targeting the other retailers Heather cited in her presentation. Another Board Member commented that if we can get one or two of these fine dining restaurants to the City, others would follow if their predecessors were successful here.

Heather explained the need to be cautious with the type and quality of franchisers the City wants to attract. We should invite people to look again to Falls Church, especially since retailers have this expansion mode in an area with scarce space. The City likewise has the potential to be a mini-restaurant cluster. Heather stated that restaurants work best when they are clustered.

In conclusion, Heather said she would be happy to go over the list of targeted retailers during the September EDA Board Meeting. She will likewise continue working with the EDO staff in revising the list of vacant spaces, as well as prepare for the DC ICSC (International Council of Shopping Centers) Marketing Exchange scheduled for March 2007.

EDA Chairman Ed Saltzberg presented Heather with a gift certificate from Baby Gap, as she is expected to give birth soon. Heather left the meeting at 8:00 p.m.

b. Business Assistance Activities – None

c. Upcoming Meetings – None

VI. Old Business - None

VII. Staff Reports

a. Development Projects

Rick Goff stated that the project to convert 110 Great Falls (next to Columbia Baptist Church) to a professional office space has been well-supported by the neighbors. It had its First Reading with the City Council, and has had no known resistance.

The West End Park area parcel rezoning and Comprehensive Plan amendment Second Reading is scheduled on June 12, 2006. These actions have the strong support of the City Council.

The Byron is nearing completion. It currently has 20 unsold housing units. Cosi is expected to be the anchor retail tenant. A Board Member asked for the status of the condominium market; Rick replied there has been no loss in assessed value. As the market corrects itself, demand will increase because of the City's close-in, desirable location. The Byron anchor office tenant has likewise made inquiries about the Industrial Revenue Bonds.

Pearson Square will attempt to deliver its office space to Tax Analysts by October or November this year. The owner is expected to submit an application for Industrial Revenue Bonds at around \$25 million. Administrative fees could be potentially waived, subject to negotiations. Delivery of retail and residential space is expected by 2007.

The Spectrum is seven to nine months behind schedule, with many change construction orders. It should be ready by 2008.

Developers for the Northgate project have asked for a delay in the City Council review. They are expected to get back to the City Council in July 2006.

On the Gateway project, Akridge has been tentatively scheduled to meet with the Council on the June 19 Work Session. Akridge is planning to take down three buildings, and deliver a mixed-use project with 150 condominiums, 10 town houses, and 72,000 square feet commercial space.

The City continues to meet with the two developers of the City Center. Atlantic Realty has had steady progress, while Centex has been working on land assembly.

The Board Members started to discuss a news article in the Falls Church News Press, and commented that it should be corrected. Discussions also focused not necessarily refuting the article, but at least providing some factual information in the newspaper.

Becky Witsman reported on the Franchise Expo she attended with Heather Arnold. She stated that the participants were a hundred franchise operators.

On the retail vacancy rate, Becky indicated that office space vacancies are still low. For example, George Mason Square only has 1,000 square feet available.

A gentleman purchased an industrial building at 300 Hunton (off Hillwood). His company is named Monarch Construction. He plans to create a “green building”, and will call it a “Zero Energy” building. The owner will be requesting tax abatement.

b. Business Assistance Activities - None

c. Upcoming Meetings – Meeting with Post Office and Atlantic Realty on June 14 at the Community Center.

The next EDA Board Meeting will be on Wednesday, July 5, 2006. The City will be closed on July 4 (Independence Day).

VIII. EDA Member Reports

Discussions centered on what the role of the EDA should be vis-à-vis the community. Some Board Members suggested the EDA should represent the balanced interest of the City by possibly facilitating, mediating and promoting projects. Other Board Members have been tasked to coordinate with Rick Goff in creating a list of development sites and to monitor how each one is progressing.

Other administrative matters were likewise discussed, such as the kinds of tools that the EDA can use to further promote economic development.

IX. Other Business – None

X. Adjournment - meeting adjourned at 8:59 p.m.